

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2493
ANSWERED ON:08.08.2000
HINDUSTAN STEEL CONSTRUCTION COMPANY
BASUDEB ACHARIA

Will the Minister of STEEL be pleased to state:

- (a) whether the revival package of Hindustan Steel Construction Company Limited has since been implemented;
- (b) if so, the details thereof; and
- (c) the time by which the salaries of the employees of this company is likely to be paid?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) Yes, Sir.

(b) Details are given below:-

- i) Conversion of plan loans as on 31.3.1999 into equity : Rs. 97.10 crore.
- ii) Grant of moratorium on repayment of and interest holiday on all Government of India (GOI) loans upto 31.3.99 for 10 years.
- iii) Waiver of interest accrued and outstanding on all GOI loans as on 31.3.99 amounting to around Rs. 957.81 crore.
- iv) Grant of Rs. 79.33 crore non-plan loan during 1999-2000, with moratorium on repayment and interest holiday for five years subject to review at the end of five years. This loan is for payment of statutory dues only.
- v) Continuance of government guarantee for Rs. 12 crore cash credit and Rs. 80 crore bank guarantee facilities, with waiver of guarantee commission of 1%.
- vi) Exemption from payment of corporate tax in 1999-2000 on account of windfall profits due to waiver of interest on loans; and
- vii) Govt. will provide Govt. guarantee and full interest subsidy thereon for raising Rs. 318.36 crores during the 3 years i.e. 1999-2000 to 2001-2002 for separating 2000 employees per year. SBI has recently disbursed a loan of Rs. 209.82 crores in the first phase for separating 4000 employees.

(c) Revival of HSCL through a Financial Restructuring cum financial assistance Package has been approved by the Government in July, 1999 and implementation of its measures as at (i) to (v) of (b) above has been completed. However, the loan for VRS amounting to Rs. 209.82 crores has been disbursed by SBI in June, 2000 only. It is expected that with the separation of 4000 employees from HSCL in 2000-2001 and implementation of other austerity measures as imposed by revival plan, the wages and salary position of the company will improve.